

WASHINGTON, DC - The House today approved statutory pay-as-you-go (PAYGO) - a measure sponsored and long-championed by Congressman Steny H. Hoyer (D-MD)

to help restore fiscal discipline and begin bringing down the nation's deep deficits. Click

[here](#)

to read Rep. Hoyer's floor statement,

[here](#)

to watch the video, and

[here](#)

to read Rep. Hoyer's inaugural tweet on the PAYGO vote.

"In passing PAYGO today, this Congress has made fiscal responsibility the law, permanently putting into place a mandate for our country to pay for what it buys," **stated Rep. Hoyer.**

"Under PAYGO, we'll need to find savings to balance any new tax cuts or entitlement spending-which makes this law essential to the wise prioritization that responsible budgeting demands. We can and must set a more responsible path for our country."

PAYGO law will require Congress to offset the costs of new tax cuts or increases in entitlement spending with savings elsewhere in the budget. If the net effect of all legislation enacted during a session of Congress increased the deficit, there would be an across-the-board reduction in certain mandatory programs.

President Obama praised passage of PAYGO in the statement: "Statutory PAYGO would hold us to a simple but bedrock principle: Congress can only spend a dollar if it saves a dollar elsewhere. Mandatory spending increases and tax cuts must be paid for; they're not free, and borrowing to finance them is not a sustainable long-term policy. It is no coincidence that when we last had statutory PAYGO, during the 1990s, we turned deficits into surpluses. The passage of statutory PAYGO today will help usher out an era of irresponsibility and begin putting the country back on a fiscally sustainable path."

First enacted in 1990 by a Republican President and Democratic Congress, and later extended by a Democratic President and Republican Congress in 1997, PAYGO was a key budget tool that helped turn deficits into record surpluses during the 1990s. The previous majority in Congress allowed these budget rules to expire in 2002, contributing to the dramatic turnaround from a projected 10-year surplus of \$5.6 trillion when President Clinton left office to projected deficits of over \$11 trillion when President Bush left office.

Upon becoming House Majority Leader, Rep. Hoyer was instrumental in restoring PAYGO as a rule in the House. With today's passage of statutory PAYGO, this rule is now permanently enacted into law, and will demand strict adherence by both the House and the Senate.

The Concord Coalition, a bipartisan fiscal responsibility group, [said this today](#) about the adoption of PAYGO:

“There is one thing the House of Representatives can do today that would help put an end to new deficit financing. It can pass the pay-as-you-go (PAYGO) law attached to the debt limit increase approved by the Senate. Enactment of statutory PAYGO would send a very positive signal that the federal government is beginning to take the problem seriously.”

In addition to statutory PAYGO, the President has outlined a series of steps that he wants to work with Congress on, including the creation of a fiscal commission to provide specific solutions to rein in deficits, and a three-year freeze on government spending for non-defense programs and excluding Medicare, Medicaid and Social Security.

For more on Congressional efforts on PAYGO and fiscal responsibility, [CLICK HERE](#)

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